

STATE OF CONNECTICUT



*AUDITORS' REPORT
CENTRAL CONNECTICUT STATE UNIVERSITY
NATIONAL COLLEGIATE ATHLETIC ASSOCIATION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011*

AUDITORS OF PUBLIC ACCOUNTS
JOHN C. GERAGOSIAN ❖ ROBERT M. WARD

STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

State Capitol
210 Capitol Avenue
Hartford, Connecticut 06106-1559

JOHN C. GERAGOSIAN

ROBERT M. WARD

INDEPENDENT AUDITORS' REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Dr. John W. Miller, President
Central Connecticut State University

We have performed the procedures enumerated below, which were agreed to by you, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses of Central Connecticut State University (CCSU) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16 for the fiscal year ended June 30, 2011. CCSU's management is responsible for the Statement of Revenues and Expenses and the statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Agreed-Upon Procedures Related to the Statement of Revenue and Expenses

The procedures that we performed and our findings are as follows:

- a. We obtained the Statement of Revenues and Expenses and the university's Capital Expenditure Survey detailing capitalized assets, additions, and improvements to facilities for the fiscal year ended June 30, 2011. We recalculated the addition of the amounts on the statement, vouched the amounts on the statement to management's worksheets, and vouched the amounts on management's worksheets to the university's general ledger on a test basis. We noted no material differences between the amounts in the general ledger and the amounts on the worksheets supporting the statement. We did, however, note some immaterial differences for which we made adjustments. We discussed the nature

of our adjustments with management and are satisfied that the adjustments are appropriate.

- b. We compared each major revenue and expense account to the previous year's amounts and obtained an understanding of any significant fluctuations. The differences between years appeared to be reasonable.
- c. We reviewed gift revenues. We vouched all such gifts to the university's accounting records for the 2010-2011 fiscal year and noted no exceptions.
- d. We reviewed organizational charts prepared by management. We reviewed the extent of documentation of accounting systems and procedures. We made certain inquiries of management regarding control consciousness, competence of personnel, and protection of records and equipment.

We made inquiries of management and non-management personnel to identify the potential for, or occurrence of, fraud or ethics violations.

Through our inquiries, we determined that the systems and procedures for accounting control and management's control consciousness are appropriate.

- e. We selected a sample of 25 cash receipts, totaling \$784,795, credited to accounts of the Intercollegiate Athletics Program. The test items included receipts from game guarantees, NCAA conference distributions, outside gifts, patents and royalties, program income, ticket sales, sales of goods, and miscellaneous revenues. We reviewed internal documentation for these receipts and also vouched the receipts to cashier remittance slips and bank deposit records. Our testing of receipts disclosed that each item in our sample was adequately supported and deposited.
- f. We selected a sample of 20 payroll expenditures, totaling \$64,195, and vouched these items to supporting documentation. All payroll expenditures in our sample were computed accurately and were properly authorized.
- g. We selected a sample of 15 expenditures, totaling \$171,498, and vouched these transactions to supporting documentation to determine whether they were properly authorized and recorded accurately. All payments tested were properly authorized and recorded accurately.
- h. We selected a separate sample of ten travel-related expenditures, totaling \$52,467, and vouched these transactions to supporting documentation and determined that they were properly authorized and supported, other than the issue set forth below.

In addition, in our review of Athletics Department travel procedures, we noted that the travel policies for athletic team travel state that "rooms for team members

and employees traveling as part of the team party are to be provided at the lowest possible cost.” Conference hotel fee schedules, if applicable, should be provided. Our test of travel transactions included some expenses for lodging. Athletics Department personnel stated that searches for competitive rates are conducted and may involve negotiations between the department and the hotel. Further, hosting teams may provide recommendations of area hotels that offer reduced rates for the competition. That information was not consistently documented for each athletic event during the audited period. In November 2011, the Athletics Department implemented a set of procedures to ensure compliance with this control requirement.

- i. We reviewed expenditures made using Athletics Department purchasing cards. We selected two months of transactions and tested eight purchasing card users from each month; the total of the expenditures in this sample was \$45,705. We tested for adherence to sound internal control procedures and compliance with state purchasing policies and CCSU purchasing card policies and procedures. We noted no exceptions with respect to internal control and compliance in the purchases tested.
- j. We reviewed grants-in-aid to student athletes by vouching totals on the Athletics Department’s grants-in-aid reconciliation to the appropriate supporting documentation to determine whether these reports were valid and complete. We selected a sample of ten students and tested the validity of their reported aid, book awards, and adjustments. We verified that a signed award letter supporting the award of the athletic grant was on file. No exceptions were noted as a result of applying these procedures.
- k. We reviewed the CCSU Foundation, Inc. audited financial statements and report to management regarding matters related to internal control. There were no recommendations related to the Intercollegiate Athletics Program in that report. We also obtained the foundation’s statement of revenues and expenses for the fiscal year ended June 30, 2011, related to the CCSU Intercollegiate Athletics Program. Amounts reported in that statement were vouched to the foundation’s accounting records, and no exceptions were noted.

We selected a sample of three receipts, totaling \$39,240, and three disbursements, totaling \$11,109, and vouched these transactions to the foundation’s accounting records. We reviewed supporting documentation for validity and found that receipt and disbursement transactions were executed according to foundation policy.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses of the Intercollegiate Athletics Program of Central Connecticut State University or on compliance with the bylaws and constitution of the

National Collegiate Athletic Association and other laws and regulations applicable to the university's Intercollegiate Athletics Program. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the president of the university, his designees, the Board of Regents, and authorized representatives of the NCAA, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of Central Connecticut State University during the course of our examination.



John C. Geragosian
Auditor of Public Accounts



Robert M. Ward
Auditor of Public Accounts

March 26, 2013
State Capitol
Hartford, Connecticut

**Central Connecticut State University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Fiscal Year Ended June 30, 2011**

	Football	Men's Basketball	Women's Basketball	All Other Men's Sports	All Other Women's Sports	Non-program Specific	2011 Total	2010 Total
Revenues:								
NCAA Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,789	\$ 241,789	\$ 219,326
Outside Gifts (See note 3)	95,094	10,801	15,585	72,691	51,570	457,948	703,689	436,646
Game Guarantees	110,000	215,000	39,500	-	-	-	364,500	159,140
Ticket Sales	17,037	41,746	11,697	-	-	-	70,480	52,469
Fund Raising	-	-	-	-	-	1,566	1,566	3,034
Facility Rental	-	-	-	-	-	53,315	53,315	47,732
Camps and Clinics	-	-	760	1,200	1,640	5,048	8,648	2,274
Patents and Royalties	-	-	-	-	-	20,235	20,235	30,079
NEC Grants-in-aid	317	654	209	-	-	111,119	112,299	105,960
Event Entry Fees	-	-	-	11,892	1,912	-	13,804	8,975
Direct Institutional Support (See note 4)	-	-	-	-	-	9,365,680	9,365,680	8,773,365
Indirect Facilities Support (See note 5)	-	-	-	-	-	2,284,478	2,284,478	2,241,355
Miscellaneous Revenue	-	360	-	-	-	8,512	8,872	12,189
Total Operating Revenues	\$ 222,448	\$ 268,561	\$ 67,751	\$ 85,783	\$ 55,122	\$ 12,549,690	\$ 13,249,355	\$ 12,092,544
Expenses:								
Salaries, Wages, and Benefits	\$ 689,111	\$ 665,199	\$ 377,285	\$ 512,472	\$ 969,445	\$ 1,962,380	5,175,892	\$ 5,024,882
Contractual Services	3,864	6,174	3,545	827	4,122	180,345	198,877	102,981
Grants-In-Aid	-	-	-	-	-	3,318,138	3,318,138	2,923,548
Recruiting	17,368	39,303	40,347	13,427	20,467	-	130,912	133,816
Conferences	36,922	13,918	10,269	14,938	29,446	38,715	144,208	112,961
Team Travel	84,381	74,429	64,970	133,498	207,328	110,395	675,001	554,861
Marketing and Promotion	1,997	2,336	-	-	106	23,271	27,710	2,938
Memberships and Dues	60	475	-	1,210	2,380	42,400	46,525	45,560
Equipment, Uniforms, and Supplies	57,561	24,612	25,768	41,573	66,486	121,624	337,624	247,552
Insurance and Medical Services	-	-	-	-	-	52,126	52,126	37,687
Maintenance and Rental	-	416	4,238	-	-	11,288	15,942	2,844
Indirect Facilities Support	-	-	-	-	-	2,284,478	2,284,478	2,241,355
Other Operating Expenses	15,376	12,160	8,938	8,534	11,518	127,115	183,641	167,791
Total Operating Expenses	\$ 906,640	\$ 839,022	\$ 535,360	\$ 726,479	\$ 1,311,298	\$ 8,272,275	\$ 12,591,074	\$ 11,598,776
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ (684,192)	\$ (570,461)	\$ (467,609)	\$ (640,696)	\$ (1,256,176)	\$ 4,277,415	\$ 658,281	\$ 493,768

See accompanying notes to financial statement

Central Connecticut State University
Notes to the Statement of Revenues and Expenses of
Intercollegiate Athletics Programs
For the Fiscal Year Ended June 30, 2011

Note 1. BASIS OF PRESENTATION

The accompanying Central Connecticut State University (CCSU) Intercollegiate Athletics Program Statement of Revenues and Expenses for the fiscal year ended June 30, 2011, has been prepared on the accrual basis of accounting with the exception that financial aid expenses have not been reduced for scholarship allowances. The purpose of the statement is to present a summary of revenues and expenses of the Intercollegiate Athletics Program of the university consistent with NCAA Agreed Upon Procedures Guidelines. The statement includes those intercollegiate athletics revenues and expenses made on behalf of the university's athletics programs by affiliated organizations. Because the statement presents only a selected portion of the activities of the university, it is not intended to, and does not, present either the financial position, changes in financial position, or cash flows for the year then ended. Revenues and expenses not directly identifiable to a specific sport are reported under the category Non-Program Specific.

Note 2. ALLOCATION AMONG SPORTS

The athletics programs reflected in the accompanying Statement of Revenues and Expenses under All Other Men's Sports include the following:

- Men's Track
- Men's Cross-Country
- Men's Golf
- Men's Soccer
- Men's Baseball

The athletics programs reflected in the accompanying Statement of Revenues and Expenses under All Other Women's Sports include the following:

- Women's Track
- Women's Cross-Country
- Women's Golf
- Women's Soccer
- Women's Lacrosse
- Women's Swimming
- Women's Softball
- Women's Volleyball
- Women's Cheerleading

The activities reflected as Non-Program Specific include revenues and expenses for non-allocated fees and costs, such as maintenance and general administration, publicity, etc.

Note 3. OUTSIDE GIFTS

Outside gifts received by the Athletics Department during the fiscal years ended June 30, 2010 and 2011, totaled \$436,646 and \$703,689, respectively. Disbursements, cash and non-cash, from athletics accounts administered by the CCSU Foundation, Inc., totaling \$421,713 and \$686,590, respectively, are included in these amounts.

Note 4. DIRECT INSTITUTIONAL SUPPORT

Direct institutional support represents allocations by the university administration of general unrestricted funds for various athletics programs. The allocations were primarily used to fund the salaries of Athletics Department administrators, coaches, and other athletics program personnel.

Note 5. INDIRECT FACILITIES AND ADMINISTRATIVE SUPPORT

Indirect facilities and administrative support includes overhead and depreciation not charged directly to the Athletics Department. The amount of indirect facilities support allocated to the Athletics Department is based on the percentage of direct facilities support charged to the Athletics Department compared to the amount of such charges for the university as a whole.

Note 6. CAPITAL ASSETS

The estimated book value of the university's athletically-related property, plant, and equipment, net of depreciation, as of June 30, 2011, amounted to \$15,143,778, according to the university's Capital Expenditure Survey. Additions and improvements related to athletics facilities totaled \$1,583,765 during the fiscal year ended June 30, 2011. Capital assets are those valued at more than \$1,000 based on historical cost; assets are tagged upon acquisition. The university uses the straight-line method of depreciation; land, capitalized collections, library books, and construction in progress are not depreciated. Disposal of capital items is approved by the university's Property Control Unit.